Treasury Consultants

30 YEARS ANNIVERSARY

CMKA WEEKLY TREASURY MARKET OUTLOOK 15[TH] JUNE 2026

MARKET OUTLOOK

According to a recent Business Confidence Index[BCI] survey conducted by Overseas Investors Chamber of Commerce and Industry[OICCI,] the **ME** war is prompting foreign investors[FIs] and other businesses to delay investment decisions in Pakistan. Around **70-80%** of **Cos** postponing or revising expansion plans amid rising inflation and growing geopolitical uncertainty. Pakistan **FY26/27** budget success with govt effectively sustaining International Monetary Fund[IMF] program [$7b-since Sep24] are crucial components for future business confidence. Nevertheless, market fundamentals remain intact but business confidence that shield economy may require economic stability [budget FY26/27] & cost relief [lower oil prices] efforts. After **1**[Y of Bunyan-un-Marsoos VICTORY-May25] with diplomatic role to mediate **ME** war, Pakistan's global standing has soared manifold, which may help future businesses to advance across all sectors with new expansion plans, enhanced exposure to global trade [incluidng EU] and upgraded supply chains. However, higher oil prices need to settle down at **<$70** levels.

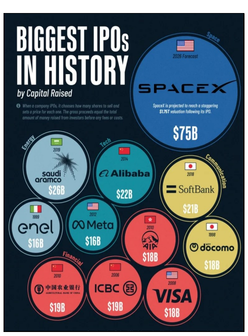
On the other hand last week, due to lack of trust in **ME** war, **US** stocks were seen sliding[last week] as investors seem to be worried on rising rates. **S&P 500** initially lost **>2.6%,** its worst one-day drop of **Y2026** & ending **9W** of gains. **Fed** may keep rates elevated to tamp down inflation[CPI 4.2%-May26] stemming from **ME** war and rapid build-out of **A.I.** infrastructure. Higher rates raise borrowing costs and lower stock valuations. However at the week-end, oil prices retreated [to $81] and stocks rallied when **US** called off plans of major strikes [11Jun threat to hit "VERY HARD",] offering another[4th] intra-week trading swing.

FOREIGN EXCHANGE

Inflow of remittances in **May26** stood at a record level of **$4.3**[b]**,↑15%**[YoY,] with total rise to **$38.1**[b] for **Jul-May FY25/26**[See Chart.] The strong growth in home remittances↑**20.2%**[MoM] was driven by Eid-related seasonal festive inflows. And ahead of **Jun30 FY** closing, higher volatility may be seen in swaps forward primium points due to debt servicing **FCY** needs, which may alter banks nostro holdings. In the interbank, **$** closed at **278.32** & in kerb **ECs** quoted a mid-rate of **278.90**. Forward premiums traded **1**[M]**@1.82**[(1.59),] **3**[M]**@4.88**[(4.41)] & **6**[M]**@9.14**[(8.42).] **CB's** forex reserves closed at **$22.671**[b ($22.636b)↑$35m.]

MONEY MARKET

Treasury bills auctions held during the week indicate almost flat yield curve with **1Y** cutoff rising up by **40bps,** showing little or muted belief on future interest rates expectation. It is likely that **MPC** [due today] may maintain *status quo*, as war uncertainty is taking a toll. Pakistan **FY26/27** budget may not change **MM** dynamics. And business is likely to remain subdued until **>100days ME** war outcome is identified to set a new direction for *policy rate* and inflationay trend. Consequently, **ME** war is also responsible for highest level of **US** inflation in **3**[Y,] with **CPI** touching **4.2**[%] in **May26** [3.8%-Apr26.]

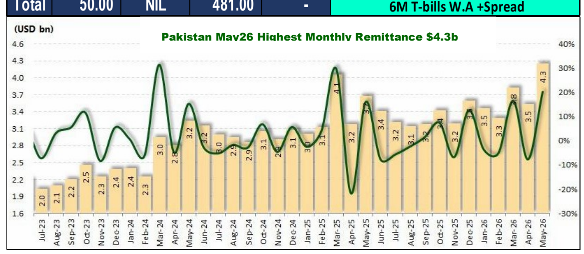


Cryptos Could Be Casualties of SpaceX - IPO

SpaceX IPO may drain $50b from Crypto and Tech stocks, pressuring Bitcoin and AMD ahead of mid-June listing. The upcoming SpaceX IPO, expected around mid-June with a $135 share price, could pull about $50b from retail investors reallocating funds from crypto and semiconductor stocks like Bitcoin and AMD. Retail investors will fund roughly 30% of the IPO, causing selling pressure in risk assets, especially crypto, which is down 27% year-to-date despite recent gains. While link between the IPO and crypto selloff is plausible, it remains unconfirmed, with investors advised to watch IPO pricing, leveraged ETF behavior, and Bitcoin's price stability for clearer signals. This event highlights the finite nature of retail capital and its impact on asset flows during major market events. Bitcoin, XRP, and other crypto-currencies fell as digital assets got caught up in the tech selloff, compounding a bad week Oct025 mainly due to SpaceX IPO and war in the Middle East.. The SpaceX listing, which targets a valuation of $1.75tr to $2tr, is draining tens of billions of dollars in liquidity from the cryptos market as speculative capital rotates into traditional tech equities. SpaceX's initial public offering, oversubscribed four times, is said to have attracted demand from institutional investors for multiple times available shares. The number of orders has increased and many had already sought about $10b or more of shares. Banks are expected to stop taking orders from institutional investors, but retail investors can still submit orders for SpaceX shares on some platforms beyond deadline The demand in SpaceX IPO has led Bitcoin, the world's largest crypto, fell as low as $59,775 - lowest intraday level since Oct24. The digital asset is now down more than 50% from its record high of $126,272 reached in Ethereum slumped 10% to around $1,590, while popular Altcoin XRP fell 5.7% to $1.11. Investors may be rotating out of Crypto and into equities ahead of several big IPOs including OpenAI, which started the artificial intelligence A.I. boom with its ChatGPT chatbots. It filed confidentially for an IPO, but has not yet decided when it will go public, laying the groundwork for what could be one of the largest public offerings to hit Wall Street – *NYT.*

Pakistan - Treasury Bills - DV / Floater Bond Auction - June 10, 2026

Tenor	Target	Maturity	Bids	Raised	Cutoff 20May26	Cutoff 10Jun26	Change bps
1M	500.00	753.00	1,861.00	650.50	12.2300%	12.1892%	04↓
3M	500.00	790.00	1,513.00	987.50	12.4904%	12.4988%	01↑
6M	500.00	33.20	642.00	176.10	12.4999%	12.4901%	01↓
12M	500.00	258.50	613.00	148.00	12.5900%	12.9895%	40↑
Total	2,000.00	1,834.70	4,629.00	1,962.10	Amount in Billions PKR		
10Y	50.00	NIL	481.00	NIL	79.43bps	Rejected	
Total	50.00	NIL	481.00	-	6M T-bills W.A +Spread		



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CMKA WEEKLY TREASURY MARKET OUTLOOK – 15TH June 2026

Currency Market Associates - Pakistan Treasury Market Weekly Update

Date →	Three (3) Weeks Rate			Year End December Closing Rate in PKR/USD						
	15-Jun-26	08-Jun-26	01-Jun-26	Y-2025	Y-2024	Y-2023	Y-2022	Y-2021	Y-2020	Y-2019
Interbank PKR/US Dollar - Forex Rates in PKR										
USD - Ready/Spot	278.32	278.41	278.50	280.12	278.55	281.86	226.43	176.51	159.83	154.85
USD - Forward - 1M	280.14	280.00	280.54	281.12	279.49	284.24	226.81	177.48	160.88	156.20
USD - Forward - 3M	283.20	282.82	286.62	282.87	280.68	287.97	227.33	179.80	162.77	158.04
USD - Forward - 6M	287.46	286.83	287.82	285.50	283.29	292.35	228.80	183.68	165.30	160.88
Pakistan - Domestic Debt Market Indicators - (Treasury Bills and Pakistan Investment Bonds 'PIBs')										
T-Bills 3M - (Auction Cut-off)	12.4988%	12.4904%	12.4904%	10.4878%	11.9900%	21.2500%	16.9900%	10.5900%	7.1500%	13.4900%
T-Bills 6M - (Auction Cut-off)	12.4901%	12.4999%	12.4999%	10.4799%	11.9900%	21.3500%	16.8900%	11.4500%	7.2000%	13.2900%
T-Bills 12M - (Auction Cut-off)	12.9895%	12.5900%	12.5900%	10.4880%	12.2900%	21.3500%	16.8000%	11.5100%	7.2900%	13.1300%
PIB 03Y (MKT - YTMs)	12.6500%	12.7000%	12.6000%	10.5000%	12.3000%	17.1000%	15.6500%	11.4000%	8.2800%	11.6100%
PIB 05Y (MKT - YTMs)	12.5000%	12.5500%	12.3500%	10.8000%	12.3500%	16.1000%	14.6000%	11.4000%	9.0800%	10.9400%
PIB 10Y (MKT - YTMs)	12.8000%	12.8500%	12.7500%	11.4700%	12.1500%	14.9000%	13.7000%	11.6000%	9.9000%	11.0000%
PIB 10Y FRB (MKT Spread)	75bps	75bps	75bps	63bps	135bps	150 bps	70bps	68bps	65bps	34bps
Pakistan - Interbank Money Market Rates - KIBOR & REPO										
KIBOR - 1 Month	12.1700%	12.0400%	12.0300%	10.8400%	13.3500%	22.1000%	16.4000%	10.3900%	7.4500%	13.6800%
KIBOR - 3 Months	12.4200%	12.2200%	12.2400%	10.6300%	12.1400%	21.4600%	17.0000%	10.5400%	7.2900%	13.5500%
KIBOR - 6 Months	12.5600%	12.4800%	12.5000%	10.6500%	12.1600%	21.7100%	17.0400%	11.4600%	7.3500%	13.4900%
Repo - 1 Month	11.5500%	11.5500%	11.5500%	11.0000%	13.0000%	22.1000%	16.2500%	10.3000%	7.2000%	13.4500%
Repo - 3 Months	11.6500%	11.7500%	11.6000%	11.0000%	12.2500%	22.1000%	16.8000%	10.5000%	7.2000%	13.4500%
Repo - 6 Months	11.7500%	11.9000%	11.7500%	11.0000%	12.0000%	22.1000%	16.9500%	11.2500%	7.2000%	13.4500%
International Debt Market Indicators - Pakistan Eurobond/Sukuk - Market Prices (YTM Offer)										
Eurobond $0.750b - 6.975%-04/29	7.4500%	7.5200%	7.4830%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond $1.500b - 6.875%-12/27	6.3300%	6.6700%	6.5210%	6.1800%	10.5800%	18.1800%	30.9900%	6.4900%	5.8900%	6.0500%
Eurobond $1.400b - 7.375%-04/31	7.6900%	7.8600%	7.6650%	7.2400%	10.8700%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.300b - 7.875%-03/36	8.2100%	8.3600%	8.2400%	8.0100%	11.2000%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.800b - 8.875%-04/51	9.1000%	9.1600%	9.0990%	8.9400%	11.3800%	24.0900%	24.0900%	8.8000%	0.0000%	0.0000%
Sukuk $1.000b - 7.950%-01/29	7.2500%	7.5200%	7.3200%	6.8200%	10.0800%	15.2100%	22.0200%	3.1200%	0.0000%	0.0000%
WAPDA Green -$0.500b-7.50%-06/31	8.5300%	8.7900%	8.3200%	8.4200%	12.2500%	19.1000%	23.3300%	0.0000%	0.0000%	0.0000%
Other Major Indicators										
Rating - Global - Fitch & S&P	B- Stable	B- Stable	B- Stable	B- Stable	CCC+Stable	CCC-Negative	CCC+Stable	B-Stable	B-Stable	B-Negative
Risk Premium CDS 5Y (Mid)	428bps	431bps	426bps	441bps	1493bps	3306bps	9763bps	376bps	465bps	350bps
Forex Reserves - SBP	$22.671b	$22.636b	$22.646b	$21.022b	$16.37b	$12.85b	$11.70b	$24.27b	$20.31b	$18.08b
FCY Debt (Mar26) - SBP	$137.5b	$137.5b	$137.5b	$133.7b	$130.0b	$130.0b	$130.0b	$125.0b	$113.8b	$106.3b
LCY Debt (Apr26) - SBP	58.08 tr	57.56 tr	57.56 tr	53.42 tr	47.72 tr	31.10 tr	31.10 tr	28.23 tr	28.23 tr	21.50 tr
SCRA A/C - PSX Equity - SBP	$2.15b	$2.21b	$2.14b	$2.64b	$2.00b	$1.40b	$1.30b	$2.10b	$2.73b	$3.74b
SCRA A/C - LCY Debt - SBP	$475m	$467m	$489m	$322m	$858m	$3.60m	$5.20m	$656m	$75m	$1.45b
Policy Rate - SBP	11.50%	11.50%	11.50%	10.50%	13.00%	22.00%	16.00%	9.75%	7.00%	13.25%
Fed Rate (US$)	3.75%	3.75%	3.75%	3.75%	4.25%	5.50%	4.00%	0.25%	0.25%	1.75%
CPI (Monthly)	11.70%	11.70%	10.90%	6.15%	4.10%	29.70%	24.50%	12.30%	8.30%	12.67%
Banks' Deposits 03/26 - SBP	37.505 tr	37.505 tr	37.505 tr	35.380 tr	31.11 tr	26.66 tr	22.20 tr	19.91 tr	16.65 tr	14.36 tr
Banks' Loans 03/26 - SBP	14.555 tr	14.555 tr	14.555 tr	13.421 tr	14.87 tr	11.96 tr	11.06 tr	9.85 tr	8.18 tr	8.10 tr
PKR-M2 Cash in Cir. (03Apr26) - SBP	11,748b	11,748b	11,748b	10,967b	9,144b	8.548tr	7.795tr	7.20tr	6.30tr	5.44 tr
OMO-QE Injection - SBP	15.552 tr	14.704 tr	15.017 tr	13.122 tr	11.18 tr	10,119b	5,177b	1,674b	1,000b	975b
PSX - 100-Index	172,399	170,478	173,962	174,054	117,008	64,661	39,669	44,886	43,416	40,735
Wheat - (USd-MT)	$234.94	$233.33	$243.61	$222.16	$246.00	$245	$329	$274	$212	$224
Cotton - US Cotton #2 (CTZ5) - USd	$76.42	$77.13	$77.03	$64.34	$68.76	$81.22	$84.53	$113.00	$76.17	$69.05
Sugar London - USd - LSUc1	$446.30	$446.90	$425.70	$426.00	$509.00	$594.00	$554.00	$497.00	$408.00	$358.00
Soybean - USd/Bu	$1,113	$1,200	$1,200	$1,042	$981	$1,298	$1,524	$1,288	$1,341	$942
Coal - USd/T	$151.75	$137.50	$137.50	$106.65	$123.50	$131.55	$404.15	$169.60	$87.40	$67.50
Oil (WTI-OPEC)	$80.85	$94.60	$89.88	$57.89	$71.94	$72.92	$79.93	$76.38	$48.20	$61.20
Gold (Spot - USD/t.oz)	$4,315	$4,291	$4,516	$4,321	$2,635	$2,075	$1,840	$1,804	$1,891	$1,518
Silver (Spot - USD/t.oz)	$70.11	$66.43	$75.71	$74.62	$30.50	$23.75	$24.10	$21.93	$24.42	$17.18
Copper - USD/Lbs	$6.51	$6.24	$6.36	$4.09	$4.09	$3.69	$3.90	$4.28	$3.47	$2.74
Bitcoin - BTC	$65,706	$62,459	$73,233	$88,412	$101,138	$42,265	$17,561	$47,169	$28,841	$7,294
US$ Index - DXY	99.44	100.06	99.01	98.30	108.49	101.33	110.05	89.21	93.27	96.54
PKR/US$ - KERB - Ecs	278.90	278.85	279.17	282.10	282.00	284.00	236.50	180.00	161.00	155.10

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